

Minutes of the Redevelopment Agency of Murray City held Tuesday, November 22, 2005 in the Murray City Council Conference Room, 5025 South State Street, Murray, Utah.

Attendance:

Jim Brass  
Pat Griffiths  
Krista Dunn  
Jeff Dredge  
Robbie Robertson  
Mayor Dan Snarr

Keith Snarr  
Frank Nakamura  
Shannon Jacobs  
Jim Matsumori  
Dale Whittle  
Dennis Hamblin

Jan Wells  
Jon Van Wagoner  
Cathy McKitrik  
Orden Yost  
Doug Hill  
Peter Klinge

**1. Review and Approval of Redevelopment Agency minutes of September 13, 2005 and October 11, 2005.**

Motion by Krista Dunn  
Seconded by Robbie Robertson

5 Ayes  
0 Nays

**2. Discuss the RFP process for the Fireclay Redevelopment Project Area.**

Jim Brass

As a board, we are new to this, Fireclay is a big project and we want to be comfortable with the process as developers start to submit plans and proposals to make sure the board is aware of what's going on and that those proposals meet the intent of the plan.

Keith Snarr

I received a call from Dennis Hamblin, Murray City Community Development Director, early last week informing me that Don Mullin had submitted a proposal to develop the property he has acquired between the rail road tracks. He had submitted his plan for initial consultation with Mr. Hamblin regarding the transit oriented development zoning district and Dennis had gone over some of the details with Mr. Mullen's consultants. As a result of these comments, the plan was not officially filed. The applicants have gone back for revisions before they will submit. This plan is being submitted as an application to planning and zoning. The applicants also indicated that they would be interested in submitting a proposal for the redevelopment agency and the city council to consider for the extension of Fireclay Avenue to the west. Currently this property is on a dead end access. With the number of units proposed there is a need for a secondary access for development. In addition, Silverado Development (on behalf of Don Mullen) has submitted a proposal regarding the Fireclay Avenue rail crossing bridge. Land acquisition activity has started in the Fireclay area. For example, Hamlet Development Company has obtained the Gibbons property for development. They are currently receiving proposals for architects who could help guide their design process. Other properties have offers for purchase, some offers have been accepted. Other offers have been accepted and then lapsed. There is quite a bit of speculative activity to assemble parcels for future development.

Krista Dunn

I have a question and comment on this. We're getting back into our chicken and the egg type of situation. Which comes first? Does the proposal go to planning and zoning or the RDA, how do we handle that? I guess we'll talk about that today, but the other piece of it is that we're still under the protest period if I'm not mistaken to December 10. So we can put together an RFP, but that really shouldn't go out until the protest period is complete. Is that correct?

Keith Snarr

I Yes, that's correct. I'm not sure the protest period is correct. I thought it would end on December 10, but we had some issues with recording of documents and it may not start until after that time, so it might still be a little further out in the future. Yes, there is a protest period. The redevelopment area is not fully in place until that protest period expires. One of the next steps is that we then solicit owner participation proposals from those parties owning property in the area. That's where everyone is given an equal chance to bring their proposals forward in terms of what they would like to develop as owners in the Fireclay Redevelopment Project Area.

Jim Brass

That brings us back to this issue. We've had the proposal from Don Mullen; it was submitted as a planning and zoning proposal. There is a zone for this area; it's a TOD zone. Following the letter of the law, I suppose anyone can submit something to develop there. When it falls into the RDA, and they're limited as to what they can build without that road going through, then they need to go through our process. We want to make sure that every developer that wants to build there has the same vision that the board has. We need to assure that they're meeting the letter of the plan and that is my concern.

Keith Snarr

Dennis Hamblin advised Don Mullen's representatives that they would have to obtain not only planning and zoning approval, but also approval from the RDA board. They know right up front that they need to receive approval from both bodies. The question is again the chicken and egg problem. Where do we come first? And, how do we get there?

Jim Brass

We would certainly like to review those proposals. I'd hate to have someone go through the process and applying to planning and zoning and spending whatever money they need to spend to start that process, only for us to review the proposal and say that it doesn't meet the intent we have for this area. All that does is confuse and anger people.

Krista Dunn

Krista asked city attorney Frank Nakamura if there is a legal direction we need to follow as to which one we should be considering first, or is that something we can actually do here and now and part of this process?

Frank Nakamura

I would assume a developer would understand that if in fact they want RDA participation, (and that's where the connection is, RDA participation), then maybe they ought to make sure they know what the RDA is going to do. Now, if they're not interested in what the RDA is going to

do, or whether the RDA will participate, then they have no reason to. My understanding is that most people in the Fireclay area will want to have some RDA participation in regard to the road and the utilities that go with that road. So it seems to me the problem is for them as well. It would seem to me that they would want to know what the RDA is prepared to do first. But again, that's up to them. If they want to proceed forward, they can go through all the planning and zoning processes and then if the RDA decides they're going to do something else, it seems to me like a waste of time. There has to be some means of coordinating all of these efforts and coordinating all of these developments.

Krista Dunn

We need to give them some direction, because most likely its not that they're coming in saying do this and do it my way, they're coming and trying to follow a process, and we don't have a process for them to follow.

Frank Nakamura

And the reason you're involved in their plans is because of the RDA area and whether or not you will contribute to infrastructure, which has been the expressed intent of the Redevelopment Agency.

Jim Brass

It may the be that if we're going to have half a dozen different land owners or more, and we could conceivably have more, that we might want to look at a master developer much the same as a general contractor, to coordinate efforts with all property owners and developers so we get a vision that works instead of six different areas that don't even flow together.

Krista Dunn

I'd agree with that.

Pat Griffiths

This question's just came to my mind as Mr. Snarr was making his presentation about land acquisition. He mentioned the Gibbons parcel and that's the one we suspect having soil contamination. I don't know at what part of the process we go through the soil tests and if they're proposing going through a voluntary cleanup process or what part of the process it comes, because it's certainly an issue that we need to consider.

Keith Snarr

I think it would be an issue if the Redevelopment Agency intends to become part of the chain of ownership on the property and there may be some reasons why we could consider doing that. Although in this particular instance I think the owner understands what they have to do for the cleanup. They have the cleanup on other projects and they're doing soil tests right now to take care of that in a voluntary way, because that's something the owner has to take care of. The redevelopment agency won't get involved in the chain of title or have any other responsibility on that. In the case of both Hamlet and Don Mullen, they have been following our process along and their proposals, (at least as I'm familiar with them to date), are familiar with what we're asking in terms of the general schematic for the Fireclay Plan. I wouldn't say that their plans are contrary to that, but I do think that they need to sit down with us and go through their plans in some detail, so we understand exactly what they're seeking to do. There is some money in the RDA budget that was earmarked for environmental mitigation. So in the case of Hamlet, if

they're seeking to have some participation from the Redevelopment Agency in terms of helping with that cleanup, then the redevelopment agency may need to be involved to that degree.

Jim Brass

Again, if Don Mullin and Hamlet are proposing things, as a board, this is stuff we'd like to be involved in from the beginning and not after the fact. That way we're all comfortable with what's going on.

Keith Snarr

How far in the beginning? Some of these things that are happening right now are things that I would say are so preliminary that they're not ready for the public forum and I know when we start talking about some of these things that sometimes may be of a sensitive nature. If we want to be involved, the Redevelopment Agency may have to have some of these meetings as "closed door" meetings to discuss real estate acquisition.

Krista Dunn

I think we're just stepping ahead a little bit, our third item on the Agenda is talking about the flow chart and how it all works, but in reality anything that these developers do will go through this body. So how far in the beginning to me is right in the beginning as far as our chairman is concerned with him knowing exactly what's coming in and exactly what's going on, we as an RDA board have elected him to represent us and I think all of that information should come to him right up front.

Keith Snarr

What I'm getting at is that there are things that developers are doing ahead of time, that we're not even privy to at this point in time.

Krista Dunn

But when it does come to Murray, whether it's to Dennis or to you, or to the Mayor it ought to come directly to Jim as our representative, because again this is the body that handles those decisions.

Keith Snarr

I agree with that.

Jim Brass

So at this point we're going to wait for the protest period to end and then we will discuss the process for going out for an actual formal proposal.

Krista Dunn

Do we want to put the RFP together so it's ready to go out as soon as the protest period is complete, or is it more appropriate to wait until the protest period is over and then schedule for discussion on putting that together.

Keith Snarr

I think that it's appropriate to start drafting that now. As the developers are getting ready on their end, we have things we have to accomplish as well. It is appropriate to start drafting an

RFP. We know that the RFP must be sent to the owners of property. We have already set the priorities of who that RFP will go to and what is the pecking order in terms of who may be selected as a developer in the owner participation rules that The Agency adopted. The City has adopted the transit oriented development zoning ordinance and its guidelines. Any proposal must conform to these requirements. The redevelopment budget earmarks line items of utilities and roads and other kinds of work that need to be accomplished. In addition the respondents should be asked how they might accomplish project management tasks such as that of master developer. The agency should review the credentials of the developers, such as experience and results. You cannot be too careful, we need to know as much as we can, whom we are dealing with and that they have the capability to accomplish that which they're setting out to do. Beyond that, they need to submit plans and schematics to make sure that their plans conform with our Fireclay Redevelopment Plan, and also the TOD ordinance and guidelines, (where applicable), so that we can see that it all meshes together. These specifications can be included in the draft request for proposals. In terms of response time, to put together the kind of proposal that we'd like to see and evaluate, it's going to take the respondent some time to put that together. I would say 45 to 60 days, or even a longer period of time would be appropriate once they receive the RFP, for them to prepare their information and to submit it back to us for evaluation. Then we have to go through a process where we evaluate the proposals and determine which is the best match, who should become the designated developer, and who should receive assistance with their particular projects.

Frank Nakamura

The first step is, let us draft some alternative RFP's and also look at the master developer concept. We'll prepare drafts and proposals and the board will then need to review those and select which direction to go. That will take some time. We can go ahead and proceed, knowing that there are various alternatives and different types of drafts for the board to look at, including a master development agreement.

Krista Dunn

I don't know how we would work this in an RFP, but I would also like to ask in any RFP, what the developers philosophy on TOD is, what they see as far as the direction they want to go, so we can see if it matches where we're going.

Jim Brass

That's what I would be looking for, looking at the ordinance and the plan, and asking what their vision to achieve that is. Let's do that. We're all interested in moving this process forward, I know a lot of people have money tied up in land, or are intending to have money tied up in land. We do want to follow the process; we want to make sure that it is done well. Again, the goal of this board I believe is to create a project that we can point to, including to our legislative representatives and say that this is what RDA's are for. I would say that lets move forward. Frank, if you would draft those proposals that would be great.

### **3. Prepare a flowchart and timelines for how the process will continue.**

Jim Brass

Obviously part of that is going to preparation of this RFP, the amount of time it takes to evaluate those proposals and to get them back, and where do we go from there. Any comments from the board on what you would like to see on that.

Krista Dunn

Obviously, we have the protest period that ends sometime in December I would assume. Then the RFP process, generally speaking; what is the timeframe for that?

Keith Snarr

I think by the first of January.

Frank Nakamura

I think maybe the middle of January.

Jim Brass

The two of you can work that out, as to what the attorney's office can accomplish and what we can get out, but I'd like to see points on the flow chart as to when the request for proposals will be ready and when we submit it. With the scope of this project I think 60-90 days would be more realistic to prepare a good proposal.

Krista Dunn

What I was getting at is you know if we just have a general look at where we're at. I take it that having a protest period takes us through December, the RFP goes out in mid January, and then you go 90 days out from that, we're into April before we go through the selection process.

Jeff Dredge arrived.

Pat Griffiths

Another part of this agenda item was to determine who the contact people are for this process. Is that clear in everyone's mind?

Keith Snarr

In my mind it's clear that as soon as we receive something on a staff level we direct it to Jim Brass and to Pat Griffiths if he is not available.

Jeff Dredge

Would it be asking too much, even though we don't have hard dates right now, to put out a flow of what's going to happen, so that we can see the big picture and then fill in the dates later.

Jim Brass

Yes, I'd like to do that, and even have approximate date. Just the steps as to where we go so that we're all comfortable with this, and so that the potential developers and property owners know that we're not going to be evaluating proposals perhaps until April. So it needs to be realistic.

Mayor Snarr

That's a good point. The concern that I have is that the people who own the property, have a significant amount of dollars tied up in the property and they want to see the process move along

in as timely a fashion as possible, making sure that everything is addressed so that they have the RDA money's go back to the development of the site. The only thing I'm thinking of is knowing how the construction period is and when they would need to get on that overpass, they may come back to us and say that they will continue to work on the proposal, but its critical that the work is begun on the overpass, and can we come in and ask for city assistance on that before final submittal of the proposal.

Jim Brass

If we need to have more RDA meetings than are currently scheduled, I think we need to be willing to do that to move this process along. Again, we are dealing with a proposed \$186 million project, I think we need to do it right and do it in a timely fashion.

Jeff Dredge

I'm going to go back to what I said before; I'd like to see a proposed timeline with estimates of times that it usually takes.

Jim Brass

I would agree with what Jeff has to say, we need to have a basic flow chart going right now and we'll fill in the dates as needed.

#### **4. Discussion of Fireclay Avenue extension to 300 West, bridge v.s. underpass.**

Jim Brass

A proposal has come up to build a bridge instead of tunneling under the railroad tracks.

Keith Snarr

I received a copy of the proposal that was sent to Mayor Snarr, regarding that development. I have copies here to distribute. This proposal has been submitted by representatives of Mr. Don Mullin. He feels that he needs to proceed to do the road extension so that he can move on with doing his project. As he has looked at that in some detail, his determination is that it would be less expensive to build a bridge over the railroad, than it would to do an underpass. The topography there would be advantageous either way perhaps. I think what he is proposing to do is to proceed as a developer for that particular project and then he would carry those costs for a period 24 months at which time he would then seek for the city or the redevelopment agency to buy that facility from him, or reimburse him for those costs. I know this is not on the agenda for any approval today, but it's something that you can take as a sincere statement of interest on his part concerning that particular development. He includes as part of that the property west of the tracks. He would seek to acquire the right of way, although he doesn't have the power of eminent domain that the city would have. If he were to come into a situation where he was not able to get that property he would be asking Murray City to assist to provide right of way acquisition for that facility. The bridge he shows is one made of keystone concrete with some artistic embellishments on it, I but this is a very preliminary design. Mr. Mullin has shown a 30 foot high overpass, spanning the 60 feet of the two main railroad tracks.

Jim Brass

So pretty much it's just the tunnel turned upside down.

Keith Snarr

Yes. The reason that becomes a little less expensive as he discussed it with me is that in doing the tunnel approach you have to build a shoo-fly for the railroad that is quite expensive, 1.5 to 2 million dollars. This would save those costs because there wouldn't be the disruption of the trains.

Jeff Dredge

Frank just brought up that we don't see any of the utilities that are going to need to be installed.

Keith Snarr

Mr Mullin makes a note of that. The proposal that he has given is only for the road, not inclusive of the utilities. That is still a matter that needs to be discussed, either as part of an agreement to do the road, or as a separate agreement. There again, this could come back to your master developer concept. It could be done by one, or it could be done by multiple parties.

Jim Brass

What do we have budgeted for the rail crossing.

Keith Snarr

Around \$5 million dollars. There are additional moneys earmarked for the utilities.

Krista Dunn

I don't think anyone has any objection to going the least expensive route.

Jeff Dredge

As long as it doesn't negatively impact the overall vision of what we have there.

Jim Brass

I would like to see some kind of rendering that would give us an idea of the scale of this bridge as compared to surrounding buildings. In a walkable community, this could be huge.

Jeff Dredge

I'd like to see if the \$5 million dollars we have budgeted to go under includes utilities.

Keith Snarr

No, the utilities were a separate line item in the RDA budget. I don't recall the exact figure.

Jim Brass

I do like the idea of anything that will save us a million dollars.

Keith Snarr

We may need to have a whole meeting to talk about this. As Frank and I have discussed, this is probably the keystone part of the redevelopment infrastructure that needs to be in place before anything can happen there. We've talked about introducing mixed use and higher density residential, but if there's not a second way to get out of there, we can't do any of that. So this really has to come first before any of this development can proceed.

Krista Dunn

It is also the western gateway.

Jim Brass

Again, one of the stated goals of this project was to make that whole west side attractive from State Street to 300 West and from 4500 South to our northern boundary. We've got to do this right to have the two blend together well.

## **5. Discussion of the disposition of Division Street Property that was declared as surplus in a hearing held November 26, 2004.**

Jim Brass

This came up because Mr. Todd would like to resurface that entire parking lot and is interested in purchasing the property since it was declared surplus. Staff recommendation is to sell at market value plus cost of appraisal. Any comments on that?

Krista Dunn

It's definitely an island out there. Looking at it from the city's point of view, it makes absolutely no sense to maintain it. It makes sense to follow the staff's recommendation.

Frank Nakamura

The issue is who is going to be the buyer.

Keith Snarr

As we checked the county ownership records, the property to the north is showed as being owned by Diversified Suburban Newspapers. Mr. Todd's property doesn't touch this all but at a corner. I have had interest expressed by all the surrounding parties to purchase, but because of some other issues we have talked about, we refrained from going to an auction sale on this. We can go ahead and advertise the property for sale if that is your direction.

Jim Brass

There seems to concern about selling this, vs. leaving the way it is. Currently that chunk of property seems to be covered with a bunch of stuff.

Doug Hill

On the surface it appears like it's an easy thing to do to surplus the property because from the city's perspective it doesn't serve us any purpose. Here's where it gets a little complicate. It depends on who buys the property. If Mr. Todd is not the high bidder on that property and is not able to buy that property and somebody else buys it, essentially then Mr. Todd has no access to his property from the South, because the rest of the property surrounding that area becomes private property, and if they want to close off access, it would actually create bigger problem for Mr. Todd and Desert Start Playhouse than it would if it were just left as it is. The other problem in vacating this property is that if Mr. Todd decides to purchase the property and decides he wants to deny access to that property, there are two businesses that are currently illegally using that property. If access to that property is denied, that could become a hardship for those businesses, because of the proximity of that the property. I'm not suggesting that their use of the property is good, but in my opinion it is somewhat necessary to operate their businesses. Maybe

the goal is to clean up that area, so they don't use the RDA property. You could accomplish that by selling it to someone else, but it does create a couple of problems, if property owners in that area are not cooperative and work with each other on these access issues. That's why we didn't sell that property when we discussed this a year ago.

Krista Dunn

If we don't own it, then it's just private property and they work out their own issues, correct? If we do own it, we continue to have the problem of business operating illegally on public property.

Jim Brass

And what is the city liability. Some of the things parked there make it difficult exiting to the south now with all of the stuff that is parked on the property, what is the city liability?

Doug Hill

To me the big issue is access. Do we as a city want to keep public access open to those properties?

Jeff Dredge

Couldn't Tony Seibert close off access if he wanted to as well?

Doug Hill

Whoever owns it can cut off access.

Krista Dunn

They can't stop access if there is public property there.

Doug Hill

That's correct.

Jim Brass

I guess then the question becomes, what do we do to get the rest of that parking lot cleaned up, it is an eyesore. It is not conducive to conducting business over there; I think it's in the best interest of the city to allow those businesses to operate.

Krista Dunn

I see it really as two options, there's a third one that's not as desirable. The options are declare it surplus, sell it and let the private property owners deal with it, or clean it up. It's our responsibility because it's public property. To clean it up we would almost certainly have to tell those two property owners, you can't operate on this property anymore, we're going to clean it up, which impacts them negatively. Of course, the third is to leave it as it is, which probably isn't a very good option.

Pat Griffiths

Well, some of the conditions that exist we don't allow, like private residences, code enforcement would be there in a minute, and they should be. But both of those businesses clog traffic and it's very unsightly.

Mayor Snarr

Why couldn't we surplus it and put in there that we want an understanding that they come to an agreement with whoever acquires the property that right of way access continues to be available to anybody that comes into the property.

Krista Dunn

Once we sell it we can't require that.

Mayor Snarr

But you can go in and say we want this right of way continue to be there. It's a real dilemma. The challenge we have is that Tony Siebert is utilizing other people's property to park equipment on.

Krista Dunn

Pat just came up with a fourth option, and that is that we could lease the property to these parties.

Pat Griffiths

We'd have requirements on what they need to do to maintain it. It looks just like a junkyard now.

Jim Brass

I think that's an interesting idea.

Mayor Snarr

Maybe we could ask all of the participants down there to participate in paving it and cleaning it up. One more thing that could compound this is the sale of Gary Blair's building. The new owner could be less friendly with sharing parking.

Jeff Dredge

I'm not sure that a lease is going to get that property cleaned up.

Pat Griffiths

We need to impose the same conditions that we impose on private property owners.

Krista Dunn

Then our best option is the surplus it and let the property owners deal with how this all pans out.

Pat Griffiths moved that the board follow staff recommendations and sell the property.

Seconded by Jeff Dredge

Jim Brass

To the highest bidder making sure it is at least estimated market value plus costs of the appraisal.

Krista Dunn

To the mayor's point, we can't require anything, but we can ask that they be willing to work on that.

5 Ayes  
0 Nays

**6. Presentation and discussion of November 1<sup>st</sup> report.**

Keith Snarr presented the November 1<sup>st</sup> report to the Salt Lake County Auditor.

Pat Griffiths moved to accept the report as presented for submission to the Salt Lake County Auditor.

Seconded by Jeff Dredge

5 Ayes  
0 Nays

**7. Discussion of use of RDA consultants.**

Jim Brass reviewed the use of consultants pertaining to the Fireclay Redevelopment Project Area.

Keith Snarr reviewed the “as needed” arrangement in place with Alice Steiner, Jonnalyne Walker and Jody Burnett. Any questions or needs are directed to them and the RDA is billed for those occasional services.

Jim Brass asked that all correspondence to and from consultants be copied to him.

Frank Nakamura

We want to make sure that the reporting requirements are in place. We need to at least have another letter clarifying reporting requirements and have that reviewed by the RDA to make sure the board is satisfied with the way the consultants will be reporting, who they will reporting to, and how they’ll be providing that information. That can be confusing.

Krista Dunn

It will be helpful to us and the consultants to know how that will all work.

Jeff Dredge

Keith, what point in time will the city be reimbursed for our investment in those services by the RDA?

Keith Snarr

It will happen when there is tax increment available. I think we need to put into place a reimbursement agreement between the RDA and City that would oblige the RDA to reimburse the City for whatever it would need, including the consultant cost, because the City has fronted the money on some of those things. Not only on this project but the Smelter Project Area as well. The City invested tremendous amounts of money into the infrastructure in that project and

we don't have that kind of agreement in place there yet. We need to do that in both RDA areas so that the City can be reimbursed as the RDA increment comes online.

Jim Brass

Frank, you will draft the letter and the other documents.

Frank Nakamura

Yes I will draft a letter clarifying the reporting procedures in regards to the consultants.

The meeting was adjourned.